

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PROPOSED REVISION OF RULES REGARDING )  
THE PROVISION OF WHOLESALE WATER ) CASE NO. 2011-00419  
SERVICE BY THE CITY OF VERSAILLES TO )  
NORTHEAST WOODFORD WATER DISTRICT )

COMMISSION STAFF'S REQUEST FOR INFORMATION  
TO CITY OF VERSAILLES

Pursuant to 807 KAR 5:001, the City of Versailles ("Versailles") shall file with the Commission no later than December 12, 2011 the original and seven copies of the following information, with a copy to all parties of record. Responses to requests for information shall be appropriately bound, tabbed and indexed. Each response shall include the name of the witness responsible for responding to the questions related to the information provided.

Each response shall be answered under oath or, for representatives of a public or private corporation or a partnership or association or a governmental agency, be accompanied by a signed certification of the preparer or person supervising the preparation of the response on behalf of the entity that the response is true and accurate to the best of that person's knowledge, information, and belief formed after a reasonable inquiry.

Versailles shall make timely amendment to any prior response if it obtains information which indicates that the response was incorrect when made or, though correct when made, is now incorrect in any material respect. For any request to which

Versailles fails or refuses to furnish all or part of the requested information, Versailles shall provide a written explanation of the specific grounds for its failure to completely and precisely respond.

Careful attention should be given to copied material to ensure that it is legible. When the requested information has been previously provided in this proceeding in the requested format, reference may be made to the specific location of that information in responding to this request. When applicable, the requested information shall be separately provided for total company operations and jurisdictional operations.

Where the requested information is voluminous, Versailles may provide the information in electronic form on a CD-ROM or other electronic storage media. The information shall be submitted in portable document format (pdf) and be capable of viewing with Adobe Acrobat Reader. Each page of the information shall be separately numbered.

1. Provide all correspondence, including electronic mail and text messages, between Versailles and Northeast Woodford Water District ("Northeast District") since 1990 in which the volume of Northeast District's water purchases from Versailles is discussed.

2. Provide all correspondence, including electronic mail and text messages, between Versailles and Northeast District since 1994 regarding upgrades or additions to the Versailles Water Treatment Plant and main water supply main.

3. Provide all correspondence, including electronic mail and text messages, between Versailles and the Kentucky Division of Water since 1994 regarding upgrades or additions to the Versailles Water Treatment Plant and main water supply main.

4. State the date when the Versailles Water Treatment Plant was originally constructed and the water treatment plant's original capacity.

5. For each capacity expansion of the Versailles Water Treatment Plant, state:

- a. The date of the expansion;
- b. The amount of additional capacity added;
- c. The cost of the expansion; and
- d. The reasons for the expansion.

6. State the current capacity of the Versailles Water Treatment Plant.

7. State the date on which the Versailles City Council voted to authorize the most recent plant capacity expansion of the Versailles Water Treatment Plant and upgrade its main water supply main.

8. Provide the minutes of each Versailles City Council meeting at which the most recent plant capacity expansion of the Versailles Water Treatment Plant and upgrade of its main water supply main were discussed.

9. Provide all studies, reports, and analyses regarding the most recent plant capacity expansion of the Versailles Water Treatment Plant that Versailles prepared or commissioned or that were otherwise provided to Versailles before the Versailles City Council voted to authorize the expansion.

10. Provide a copy of Versailles' annual audit reports for the fiscal years:

- a. 2000;
- b. 2001;
- c. 2005;

- d. 2006;
- e. 2010; and
- f. 2011.

11. State the sources of the funds that Versailles used to finance the cost of the most recent plant capacity expansion of the Versailles Water Treatment Plant and the upgrade of its main water supply main.

12. For each bond issuance in which the proceeds were used to finance cost of the most recent plant capacity expansion of the Versailles Water Treatment Plant:

- a. State the date of the bond issuance;
- b. State the amount of the bond issuance;
- c. State the amount of proceeds used to finance the expansion; and
- d. Provide a copy of the bond ordinance.

13. Provide all studies, analyses, and reports on expected customer demand that Versailles has prepared or commissioned since 2001.

14. List each wholesale customer of Versailles and state its average daily demand and its peak daily demand. (If daily demand information is not available, provide monthly demand information.)

15. List each industrial and large commercial customer of Versailles and state its average daily demand and its peak daily demand. (If daily demand information is not available, provide monthly demand information.)

16. For the period from 2006 to the present:

a. List all industrial or large commercial customers that have terminated service and for which service has not been restored, the date of termination of each customer's service, and the customer's average monthly usage.

b. List all industrial or large commercial customers that have started water service, the date of commencement of each customer's service, and the customer's average monthly usage.

17. State whether Versailles and Northeast District have discussed Northeast District's water purchase contract with the Frankfort Water and Electric Plant Board. If yes, describe these discussions.

18. Explain why, in light of the current water supply agreement's provision that Northeast District is limited to purchasing 15 million gallons of water monthly, the proposed minimum purchase requirement of 15 million gallons of water is reasonable.

19. Explain why, in light of the parties' apparent decision not to include a minimum purchase provision in their existing contracts, a minimum purchase provision should now be imposed upon Northeast District.

20. a. State the expected effect on the quantity of Northeast District's purchases of water from Versailles if the Commission fails to approve the proposed revision and Northeast District purchases water from the Frankfort Electric and Water Plant Board.

b. Based upon the response to Item 20(a), state the expected effect on Versailles' net revenues from its water operations and its rates for water service for other customers.

21. In its letter of September 19, 2011 to the Kentucky Public Service Commission, Versailles states: "Rather than bring a civil action against NWWD [Northeast District] to enforce the existing contract requiring NWWD to purchase all of its requirements of potable water from the City, the City believes that its interests as well as the interests of NWWD, NWWD's customers and the Frankfort Plant Board would be better served by establishing a minimum monthly purchase requirement for NWWD before it purchases water from any other source." Explain how, in the absence of a minimum purchase provision in the existing water supply contracts, a minimum purchase requirement may be imposed through a civil court action.

22. State the reason(s) that Versailles is of the opinion that Northeast District agreed, when entering the water purchase contracts, to purchase a monthly minimum volume from Versailles.

  
Jeff Derouen  
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Public Service Commission  
P.O. Box 615  
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DATED: NOV 29 2011

cc: Parties of Record

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